DOCUMENT RESUME

ED 212 357 PS 012 613

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TITLE Day Care and Federal Funding: Current Problems and Possible Solutions.
PUB DATE [81]
NOTE 15p.

EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS *Day Care; Early Childhood Education; *Federal Aid; *Financial Policy; *Government Role; *Social Services
IDENTIFIERS *Block Grants

ABSTRACT

The current policy of consolidating funding for all Title XX programs into block grants presents problems for day care users who increasingly must begin to explore alternatives to federally funded day care services. The block grants are problematic because they (1) are undesignated and can be used as the state wills, (2) have no matching fund requirements, (3) release states from certain planning, auditing and reporting requirements, and (4) raise the possibility that each state receiving block grants could completely cut federal money for day care services. In addition, reduction in funding levels need not be distributed equally across programs offered by the states. Since the need for day care services is continuing to increase while federal funds decrease, alternate approaches to federally supported day care become much more viable. Public school facilities can be increasingly utilized, the number of "for profit" day care systems can be further increased, and non-profit, entrepreneurial forms of day care can be further developed. Families with several children may band together to form small, non-profit corporations for providing care, and corporations may offer on-site day care, hire day care from established centers, or provide a day care voucher system. Given current and anticipated funding conditions, national day care organizations must assume increased responsibility for effectively arguing the case for continued federal support for day care. (Author/RH)

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Day Care and Federal Funding: Current Problems and Possible Solutions

by

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Day Care and Federal Funding:
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(Abstract)

The question of child care is germane to many families which include children. In the United States 37% of all women ages 18-34 who have a child under age five are employed outside the home (U.S. Census Bureau, 1979). This figure is expected to increase over the next decade.

Concurrent with this projected increase in the numbers of families needing day care has been a dramatic decrease in available Federal money to both support day care services and assist families in purchasing needed care. The hardships created by this funding crisis have impacted upon both family functioning and the welfare of the developing child, necessitating a careful search for possible solutions to this family crisis.

Day Care and Federal Funding: Current Problems and Possible Solutions

Day care has always been controversial in the United States. Historically it has been a political issue whenever the family has been under scrutiny. The use of Federal money to support day care services has been continually re-evaluated and has failed to become established as a national policy. This failure is of increasingly vital concern in view of the trends in female labor force participation. The statistics presented in Table 1 are based upon data from the U.S. Bureau of Labor Statistics (1976) and Kenniston (1977).

Significant statistics regarding female labor force participation in the United States.

1890	4.5%	of all women in the labor force
1900	20%	of all women in the labor force
1990	75%	of all women in the labor force
1965	26%	of all mothers with children under age 6 in the labor force
1975	38%	of all mothers with children under age 6 in the labor force

Table 1

As the table illustrates, over the past 80 years there has been a 55% increase in female labor force participation. Further, in the period 1965-1975 there was a 12% increase in the numbers of mothers of children under age 6 entering the work force. Assuming an equal increase in the present decade, by 1990 50% of all mothers of children under 6 will be labor force participants. In terms of actual numbers, by 1990 10.4 million children of preschool age will need child care

outside the family setting (Hofferth 1979). Now that it is becoming normative for mothers to work outside the home, both parents and society have been challenged to meet these growing child care needs.

Based upon most recent Federal budgeting cuts and proposals, the social response to meeting family day care needs is severely limited. The 1981 Federal Budget allocated $3 billion for Title XX social services with $200 million marked for day care funding, and a total of $1 billion to be spent on all aspects of day care programming (Community Coordinated Child Care Memo, Dane County, Wisconsin, March, 1980). The $200 million set aside for funding includes adult day care and special needs as well as child day care.

The more crucial issue, of course, concerns the future. The 1980 Republican platform clearly and unequivocally states its support for non-institutional child care over group care for preschool children, thus gravely wounding institutional, organized day care. The present administration has consolidated the funding of all Title XX programs into "block grants" and then making an aggregate 25% reduction from 1981 budget figures for available human services money. This 25% cut will be felt in areas of day care programming, staff training, salary subsidy, physical facilities and equipment, and money directly available to individual families.

There are numerous problems with the block grant approach to human services allocation of funds. Basically block grants are, as the name implies, group grants. Money allocated under this form is loosely designated money. Thus Federal block grants to states are flexible

allocations of money for social services. It becomes the responsibility of individual states to decide what social services are to be provided, by whom, and under what conditions. There are no matching fund requirements imposed upon those states who are recipients of block grant money. The rationale behind this allocation procedure is rooted in the current federal efforts to deregulate federal spending and encourage more individual responsibility on the part of the states. Most specifically, the block grant allocation process empowers governors and state legislators to determine the criteria for distribution of funds.

An important and sometimes overlooked aspect of this block grant approach is the removal of certain planning, auditing and reporting requirements. States do indeed have all freedom to use their block grant money precisely as they wish. Thus, it is within the jurisdiction of states to completely cut federal money for day care services if they wish to do so. A second noteworthy aspect of the current budget proposal is that, in the area of social services, there is no proposed increase in funding. The funding level will be held constant with no proposed adjustment for inflation through Federal Fiscal Year 1985 (which exceeds the term of office of the current President). Under the block grant proposal there would be no guarantee of continued funding for <u>any</u> of the included programs and <u>no</u> necessity for the state to apply the 25% cut to all programs currently funded. Day care appears in distinct danger of "falling through the cracks" by virtue of having losts its specific designation in the blocking process and no longer having an identity of its own.

A major question concerns <u>who</u> will be recipients of whatever money

may be available for day care services. Block grants leave individual states to answer this question and without specific guidelines the answers are likely to vary widely from state to state.

Because of the nature of the block grant structure, it is impossible to generalize or predict criteria for eligibility under the new system. Financial need may not be the sole basis for receiving aid. Money could be allocated on the basis of handicap or other special needs, or possibly be awarded to adult day care services rather than child day care services. The possibilities are numerous. President Reagan, in a March 1981 speech, clearly stated that block grants are to be only an interim step. His goal appears to be aimed at removing federal government participation from programs of social help, allowing states and cities to ultimately decide for themselves whether they want to raise the taxes necessary to continue such programs.

Thus, it appears that to the degree that the American society fails to meet the challenge of assisting families in need of day care, families must now find ways to assist themselves.

Because of day care's political history and the controversy which surrounds the availability of day care as a service to families, it would seem appropriate to examine the effects of day care on the family. Obviously day care is not the only child care option available for working mothers any more than home care is the only option for child rearing in general. However, there is considerable evidence that day care is a positive child rearing environment (Golden and Birns 1976; Golden et al. 1978; Moskowitz 1977; Doyle 1975; Belsky and Steinburg 1978; Moore 1975). There is little evidence to support the popular contention that day care is detrimental to family life. To the contrary, day care can be viewed

as a support system to families in general and parents in particular by providing an opportunity to assist families in relieving economic stress, which is known to be very detrimental to harmony within the family system. The Pennsylvania Day Care Study (Peters, 1973) supports the view that day care positively affects the family by providing support for adult roles.

In an attempt to answer the question of how day care affects the family, a group of families who were financially eligible and had been receiving federally funded day care and subsequently lost that funding was studied (Dail 1980). The goal of the study was to obtain as much information as possible about not only how these families had accommodated to the loss of day care funding, but also about how day care was viewed by these parents in terms of their parental role and the family dynamics.

The results of this study indicated that these parents considered day care vital to their family life. The loss of available federal money to purchase day care services placed the affected families under considerable stress and financial hardship. More significantly, the children in these families found themselves in haphazard, poorly supervised (thus frequently unsafe) disorganized and often neglectful child care environments. Parents felt distressed and inadequate in their parental role under these circumstances, recognizing the limitations of the care that their children were receiving. In more practical terms, children were left to the care of "older" (age 10 or 11) siblings for extended periods, including meal times, left to the care of a neighbor until the arrival of a teenage babysitter; sent, when possible, to extended family; or grouped with several other preschoolers under the supervision of an older sibling or teenaged sitter. Some parents reported leaving their

child alone during nap time, asking a neighbor to check on the child periodically. None of these arrangements can be viewed as approaching adequate care of a preschool aged child. Thus, day care appears to be of vital importance to some families. Without it the children experience unsatisfactory child rearing environments and parents, due to their inability to provide adequate child care outside the home, feel themselves to be performing unsatisfactorily in their parental role.

The essential question now concerns the mechanisms by which those families needing child care will obtain it. The aforementioned, less adequate forms of care have provided short term solutions to a long term problem. More permanent and stable means for easing the child care crisis must be sought. It is important to recognize that the rapid increase in the number of working mothers of both preschool and school age children needing day care will, over the next 10 years, remove day care from the uncommon and place it in the category of a normative child rearing environment for American families.

Because nuclear families have become both smaller and more mobile, older siblings and extended family members are no longer as readily available to assist with child care responsibilities. Thus it is no longer feasible to look to these more traditional forms of care to ease child rearing crises faced by today's families.

There are, however, several possible solutions to the child care problem. Beginning with the broadest perspective, new systems of day care delivery may have to be established. This would include utilization of public school facilities where both kitchen and playground space would be pre-existant and readily available. This has particular appeal for the school-age child in need of afternoon supervision.

Additionally, public school supported day care could directly affect the quality of the programs offered. A cooperative staffing arrangement between the regular school teachers and day care staff would benefit all concerned and perhaps ease the financial concern somewhat by using a tax base to partially support this type of day care delivery.

A second possibility concerns the further development of "for profit" day care systems. This area of day care has grown rapidly over the past decade. Concurrent with this increased growth has been a vast improvement in the quality of this particular system of day care. The major disadvantage to this type of care is an obvious one: it is more expensive than non-profit care. This increase in cost is not a small concern for parents, particularly in light of the current economic climate in the United States. However, for profit day care does fill some void in the total day care picture.

A third, and very viable alternative concerns the development of non-profit, entrepreneurial forms of day care. These frequently result from the combining together of small groups of families with similar child care needs, and may take a variety of different forms. Some parents may develop a truly cooperative child care arrangement, contributing their time to the administrative, logistical, and even food concerns, and using the fees to support staffing, programming and space, thereby keeping costs to a minimum. Frequently churches are willing to enter into space agreements with these cooperative child care organizations, finding it advantageous to both parent group and religious organization since there is generally classroom space and equipment available for church school use on weekends, and not utilized during the week.

Since both day care and religious organizations seek to serve families, there is much commonality, making a working agreement between the two very plausible.

The other end of the spectrum of entrepreneurial child care is a much more formal enterprise whereby families band together to form their own small business, even going so far as to take out a small business loan in order to become established, and then proceeding to allow families to buy into their non-profit corporation. A system such as this may require a substantial initial sum, but smaller monthly fees, and has some real advantages in that families utilizing this type of care have a real investment and voice in their child care and thus remain intimately involved in it during the time that they are day care consumers. This arrangement has particular appeal to families with more than one child in need of care. If projections are born out (Trost 1980) and couples in the decade 1980-1990 have fewer children, but have them close together, and later in marriage when they are more financially secure, it is possible that this type of child care may gain widespread popularity.

Another important facet of child care delivery is corporate involvement. During World War II the aircraft industry and defense plants across the country quickly facilitated and supported the establishment of day care centers because women were needed to staff the defense effort while the men were in combat. This quickly died off when the war ended and has been slow to become reestablisned. The 1970's saw a closing of many of these on-site day care centers because of high costs and low utilization. Corporations apparently saw them as more

of a social benefit than a cost benefit to the sponsoring company. In addition, the corporate tax structure of some states made this type of corporate sponsored child care more feasible in some areas than in others. (For a further discussion of industrial day care, see Verzano-Lawrence, LeBlanc, and Hennon, 1982.)

However, on-site day care is not the only method of corporate subsidy for child care. Corporations can contract with established day care organizations such as the for-profit centers and, in effect, hire their day care. This alleviates the administrative and other investment costs of corporate on-site care. Another program for subsidizing day care by corporations would be an employee voucher system whereby parents would receive vouchers to be used at day care centers of their choice. There are obvious advantages to this system because it increases parental control over both the type and quality of day care that their child receives.

The least specific, but nevertheless important possibility for solving the day care crisis may rest with organizations such as the National Association of Young Children (NAEYC). These organizations have power in numbers and thus the capacity to assist local organizations and affiliates in lobbying efforts at the state level in order to secure whatever funding may be available. It is erroneous to assume that the block grant structure totally negates day care funding because it does not. But it does create a mandate for those interested in day care to organize clear, concise arguments exemplifying the increasing day care needs in the United States, and further to present these arguments effectively. It is the unquestionable right of a child to grow and

develop in a safe, caring, healthy and happy environment, both inside and outside of the family. It is likewise the right of all parents to feel satisfied with themselves as parents, and to feel that they are providing well for their children. Parents have a right not to be forced into untenable child care situations resulting from the tension between needing child care and needing family income. Thus, for the sake of both parents and children, the concept of Federal support for day care must not be allowed to evaporate under the assumption that it is no longer a viable expectation. Federal involvement in day care can be salvaged if some large scale efforts are created to keep it alive. This is not an impossibility, but it will require very hard work.

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